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HARVEST SMALL BUSINESS FINANCE, LLC,
and HARVEST COMMERCIAL CAPITAL, LLC

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA – LOS ANGELES DIVISION

In re
SEATON INVESTMENTS, LLC, *et al.*,
Debtors and Debtors in Possession.

Lead Case No. 2:24-BK-12079-VZ

Jointly Administered with Case Nos.
2:24-bk-12080-VZ, 2:24-bk-12081-VZ,
2:24-bk-12082-VZ, 2:24-bk-12091-VZ,
2:24-bk-12074-VZ, 2:24-bk-12075-VZ,
and 2:24-bk-12076-VZ

Chapter 11

- ☐ Affects All Debtors.
☐ Affects Seaton Investments, LLC
☐ Affects Colyton Investments, LLC
☒ Affects Broadway Avenue Investments, LLC
☒ Affects SLA Investments, LLC
☒ Affects Negev Investments, LLC
☒ Affects Alan Gomperts
☒ Affects Daniel Halevy
☒ Affects Susan Halevy

OBJECTION OF HARVEST SMALL
BUSINESS FINANCE, LLC, AND HARVEST
COMMERCIAL CAPITAL, LLC, TO MOTION
TO APPROVE ADEQUACY OF
DISCLOSURE STATEMENT

Hearing

Date: February 27, 2025

Time: 10:00 a.m.

Place: Courtroom 1368
255 East Temple Street
Los Angeles, CA 90012

Harvest Small Business Finance, LLC (“Harvest Small Business”), and Harvest Commercial Capital, LLC (“Harvest Commercial,” and collectively, “Harvest”), submit this Objection to the Motion to Approve Adequacy of Disclosure Statement filed February 6, 2025 (Dkt. 427).

RELEVANT FACTUAL BACKGROUND

A. Harvest Small Business Claims

Harvest Small Business made a \$2,000,000 loan (“SLA Loan”) to SLA Investments, LLC (“SLA”), and Sienna Rose, Inc., as evidenced by a U.S. Small Business Administration Note dated

1 February 7, 2018. [See Claims Dkt. 3 in Case No. 2:24-bk-12082-VZ.] To secure payment of the SLA
2 Loan, SLA signed a Deed of Trust dated February 7, 2018, encumbering real property commonly
3 known as 1040 South Los Angeles Street, Los Angeles, CA 90015 (“Real Property”). [Id.] As of
4 SLA’s March 19, 2024, bankruptcy petition date, Harvest Small Business was owed not less than
5 \$1,802,928.27 under the SLA Loan. [Id.]

6 Alan Gomperts, Daniel Halevy, and Susan Halevy each signed a separate U.S. Small Business
7 Administration Unconditional Guarantee dated February 7, 2018, whereby they each guaranteed
8 payment of the SLA Loan. [See Claims Dkt. 10 in Case No. 2:24-bk-12074-VZ, Claims Dkt. 9 in Case
9 No. 2:24-bk-12075-VZ, and Claims Dkt. 7 in Case No. 2:24-bk-12076-VZ.]

10 B. Harvest Commercial Claim

11 Harvest Commercial made a \$1,589,000 loan to 802 Mateo St., LLC (“Mateo Loan”), as
12 evidenced by a Promissory Note dated March 1, 2019. [See Claims Dkt. 10 in Case No. 2:24-bk-
13 12075-VZ.] Daniel Halevy signed a Commercial Guaranty dated March 1, 2019, whereby he
14 guaranteed payment of the Mateo Loan. [Id.] As of Mr. Halevy’s March 18, 2024, bankruptcy petition
15 date, Harvest Commercial was owed not less than \$1,447,917.08 under the Mateo Loan. [Id.]

16 C. The Plan and Disclosure Statement

17 The Plan places Harvest Small Business’s claim against SLA in Class 4.4(b) and proposes to
18 make \$9,015 monthly interest payments to Harvest Small Business for 36 months using net rental
19 income from the Real Property, and then to repay Harvest’s claim in full via a “balloon payment at the
20 end of year 3” by selling or refinancing the Real Property. [Dkt. 427 pps. 20, 35, 47-50 and 64 of 79.]

21 The Plan places Harvest Small Business’s claims against Alan Gomperts, Daniel Halevy, and
22 Susan Halevy in Classes 2.6(f), 2.7(g), and 2.8(e) respectively, and also places Harvest Commercial’s
23 claim against Daniel Halevy in Class 2.7(g). The Plan does not provide for Mr. Gomperts, Mr. Halevy,
24 or Ms. Halevy to make any payments on account of these claims (which the Plan describes as
25 “Guarantees on non-debtor obligations,” despite the fact that SLA is one of the debtors in these
26 bankruptcy cases) and states: “Creditors will maintain their rights on these guaranties.” [Dkt. 427 pps.
27 36 and 64 of 79.] The Plan also states: “Individual Debtors will seek an order of discharge pursuant to
28 11 U.S.C. § 1141(d)(5)(C).” [Dkt. 427 p. 31 of 79.]

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ARGUMENT

To provide adequate information to permit Harvest to make an informed judgment about the Plan, as Bankruptcy Code (“Code”) section 1125 requires, the Plan proponents should amend the Disclosure Statement to clarify whether the Plan will provide for a deadline for SLA to repay the SLA Loan in full following the three-year Plan term (and if so, what that deadline will be). The Plan proponents should also clarify whether the individual debtors will seek a discharge under Code section 1141(d)(5)(A) only after SLA repays the SLA Loan in full or under Code section 1141(d)(5)(B) before that occurs. Harvest Commercial finally seeks clarification regarding the treatment of its claim against Daniel Halevy for amounts due under the Mateo Loan. Will Mr. Halevy seek a discharge before the Mateo Loan is paid in full? If Harvest Commercial does not accept the Plan and objects to Plan confirmation, how will he satisfy the requirements of Code sections 1129(a)(15) and 1129(b)(2)(B)?

Dated: February 13, 2025

HEMAR, ROUSSO & HEALD, LLP

By: /s/ Christopher D. Crowell
Christopher D. Crowell
Attorneys for Creditors
HARVEST SMALL BUSINESS FINANCE, LLC,
and HARVEST COMMERCIAL CAPITAL, LLC

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
15910 Ventura Boulevard, 12th Floor, Encino, CA 91436.

A true and correct copy of the foregoing document entitled (*specify*): OBJECTION OF HARVEST SMALL BUSINESS FINANCE, LLC, AND HARVEST COMMERCIAL CAPITAL, LLC, TO MOTION TO APPROVE ADEQUACY OF DISCLOSURE STATEMENT

will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) 02/13/2025, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Attorney for Corporate Debtors Derrick Talerio: dtalerico@wztslaw.com
Attorney for Individual Debtors Zev Shechtman: Zev.Shechtman@saul.com
U.S. Trustee Attorney Kelly Morrison: kelly.l.morrison@usdoj.gov

☐ Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On (*date*) 02/13/2025, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Hon. Vincent Zurzolo, 255 East Temple Street, Suite 1360, Los Angeles, CA 90012

☐ Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) _____, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

02/13/2025 Sanaz Adnani
Date *Printed Name*

/s/ Sanaz Adnani
Signature